

**Senate Bill No. 586**

\_\_\_\_\_

Passed the Senate August 29, 2016

\_\_\_\_\_

*Secretary of the Senate*

\_\_\_\_\_

Passed the Assembly August 23, 2016

\_\_\_\_\_

*Chief Clerk of the Assembly*

\_\_\_\_\_

This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2016, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_

*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Sections 123835 and 123850 of the Health and Safety Code, and to amend Sections 14093.06, 14094.2, and 14094.3 of, and to add Article 2.985 (commencing with Section 14094.4) to Chapter 7 of Part 3 of Division 9 of, the Welfare and Institutions Code, relating to children's services.

## LEGISLATIVE COUNSEL'S DIGEST

SB 586, Hernandez. Children's services.

The California Children's Services (CCS) program is a statewide program providing medically necessary services required by physically handicapped children whose parents are unable to pay for those services. The State Department of Health Care Services administers the CCS program. Counties, based on population size, are also charged with administering the program, either independently or jointly with the department. The services covered by the CCS program include expert diagnosis, medical treatment, surgical treatment, hospital care, physical therapy, occupational therapy, special treatment, materials, and the supply of appliances and their upkeep, maintenance, and transportation. Funding for the program comes from county, state, and federal sources. In order to be eligible for the CCS program, an applicant must be under 21 years of age, have or be suspected of having a condition covered by the program, and meet certain financial eligibility standards established by the department.

Existing law prohibits services covered by the CCS program from being incorporated into a Medi-Cal managed care contract entered into after August 1, 1994, until January 1, 2017, except with respect to contracts entered into for county organized health systems or Regional Health Authority in specified counties.

This bill would exempt contracts entered into under the Whole Child Model program, described below, from that prohibition and would extend to January 1, 2022, and until the evaluation required under the Whole Child Model program has been completed, the termination of the prohibition against CCS-covered services being incorporated in a Medi-Cal managed care contract entered into after August 1, 1994.

The bill would authorize the department, no sooner than July 1, 2017, to establish a Whole Child Model program, under which managed care plans served by a county organized health system or Regional Health Authority in designated counties would provide CCS services to Medi-Cal eligible CCS children and youth. The bill would limit the number of managed care plans under a county organized health system or Regional Health Authority that are eligible to participate in the program. The bill would require the department to implement the program, as specified, and would require a managed care plan to obtain written approval from the department and establish a local stakeholder process, as prescribed. The bill would prohibit the department from approving the application of a managed care plan until the Director of Health Care Services has verified the readiness of the managed care plan to address the unique needs of CCS-eligible beneficiaries, including, among other things, that the managed care contractor demonstrates the availability of an appropriate provider network to serve the needs of children and youth with CCS conditions and complies with all CCS program guidelines.

The bill would prohibit the department from implementing the program in any county until it has developed specific CCS monitoring and oversight standards for managed care plans. The bill would require the department to establish, through December 31, 2021, a statewide Whole Child Model program stakeholder advisory group comprised of specified stakeholders, including representatives from health plans and family resource centers, or modify an existing stakeholder advisory group and would require the department to consult with the Whole Child Model program stakeholder advisory group on the implementation of the program, as specified. The bill would impose various requirements on a Medi-Cal managed care plan serving children and youth with CCS-eligible conditions under the CCS program, including, but not limited to, coordinating services, as specified; providing appropriate access to care, services, and information, including continuity of care requirements; and providing for case management, care coordination, provider referral, and service authorization services. The bill would require a Medi-Cal managed care plan participating in the Whole Child Model program to ensure provision of case management, care coordination, provider referral, and service authorization services to children and youth, as

prescribed, but would authorize the department to waive this requirement if the plan demonstrates that it cannot meet the requirement because it would result in substantially increased program costs, as specified. This bill would require a managed care plan to provide a timely process for accepting and acting upon complaints and grievances of CCS-eligible children and youth. The bill would require a specified stakeholder process to address proposed changes to CCS medical eligibility requirements. The bill would require the department to contract with an independent entity to conduct an evaluation to assess health plan performance and the outcomes and the experience of CCS-eligible children and youth participating in the program, and would require the department to provide a report on the results of this evaluation to the Legislature no later than January 1, 2021.

This bill would provide that its provisions are not intended to permit any reduction in benefits or eligibility levels under the existing CCS program. The bill would require the department, by July 1, 2020, to adopt regulations and, commencing July 1, 2018, would require the department to provide a status report to the Legislature until regulations have been adopted. The bill would authorize the Director of Health Care Services to enter into exclusive or nonexclusive contracts on a bid, nonbid, or negotiated basis and amend existing managed care contracts to provide or arrange for services provided under the bill.

By imposing new duties on counties with respect to the transition and implementation of CCS program services, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) The California Children's Services (CCS) program is the nation's oldest Title V Maternal and Child Health Services Block Grant program.

(b) The CCS program has provided critical access to specialized medical care for California's most complex and fragile pediatric patients since 1927.

(c) The strong standards and credentialing created under the CCS program ensure that eligible children obtain care from experienced providers with appropriate pediatric-specific expertise.

(d) CCS providers form a regional backbone for all specialty pediatric care in California, benefiting children of every income level and insurance status.

(e) Over the past 20 years, coordinated and integrated health care delivery models have been shown to improve delivery of health care, reduce costs, and improve outcomes.

(f) As California expanded the reach of integrated delivery systems in Medi-Cal, CCS services were often excluded from managed care arrangements in recognition of the specialty nature of CCS services and the complicated health status of enrolled children.

(g) Accordingly, it is the intent of the Legislature to modernize the CCS program, through development of the Whole Child Model, focused on the unique needs of CCS-eligible children in counties served by county organized health systems to accomplish the following:

(1) Improve coordination and integration of services to meet the needs of the whole child, not just address the CCS-eligible condition.

(2) Retain CCS program standards to maintain access to high-quality specialty care for eligible children.

(3) Support active participation by parents and families, who are frequently the primary caregivers for CCS-eligible children.

(4) Establish specialized programs to manage and coordinate the care of CCS-enrolled children.

(5) Ensure that children with CCS-eligible conditions receive care in the most appropriate, least restrictive setting.

(6) Maintain existing patient-provider relationships, whenever possible.

(h) It is further the intent of the Legislature to protect the unique access to pediatric specialty services provided by CCS while

promoting modern organized delivery systems to meet the medical care needs of eligible children.

(i) It is further the intent of the Legislature to continue the pediatric specialty expertise and statewide network of CCS providers by promoting contractual relationships between those providers and managed care plans. Accordingly, it is the intent of the Legislature that reimbursement under the Whole Child Model program be sufficient to attract and retain these specialists in the CCS program.

SEC. 2. Section 123835 of the Health and Safety Code is amended to read:

123835. (a) The department shall keep the California Children's Services (CCS) program abreast of advances in medical science, leading to the inclusion of other handicapping conditions and services within the limits of and consistent with the most beneficial use of funds appropriated for this purpose. With the approval of the agency administrator the department may carry out pilot studies to determine the need for, or the feasibility of, including other handicapping conditions and services in the program within the limits of available funds appropriated for the program.

(b) To the extent that any changes in CCS medical eligibility are proposed by the department, there shall be a stakeholder process that shall include both of the following:

(1) A draft of the proposed regulatory changes shall be shared publicly at least 120 days prior to the filing of a regulatory change. The proposed changes shall also be shared with the appropriate policy and fiscal committees of the Legislature and posted publicly on the department's Internet Web site.

(2) The department shall utilize existing stakeholder committees to receive input and comments on any proposed changes and shall provide written comments back after input is provided. This input may be provided to all stakeholders, including, but not limited to, advocates, clinical experts, associations, county CCS program administrators, families, and CCS providers.

SEC. 3. Section 123850 of the Health and Safety Code is amended to read:

123850. (a) The board of supervisors of each county shall designate the county department of public health or the county department of social welfare as the designated agency to administer

the California Children’s Services (CCS) program. Counties with total population under 200,000 persons may administer the county program independently or jointly with the department. Counties with a total population in excess of 200,000 persons shall administer the county program independently. Except as otherwise provided in this article, the director shall establish standards relating to the local administration and minimum services to be offered by counties in the conduct of the CCS program.

(b) (1) Upon a determination by the director that a Medi-Cal managed care plan and participating county have met all of the State Department of Health Care Services’ readiness requirements, the designated county agency and a Medi-Cal managed care health plan serving the county, as determined by the director, shall provide for the transition of CCS program services, except for services provided pursuant to subdivision (c), into the Medi-Cal managed care health plan contract in Whole Child Model counties pursuant to Article 2.985 (commencing with Section 14094.4) for children who are enrolled in the Medi-Cal managed care plan and CCS. For children enrolled in a Medi-Cal managed care plan and CCS in Whole Child Model counties pursuant to Article 2.985 (commencing with Section 14094.4), the case management, care coordination, provider referral, and service authorization administrative functions of the CCS program shall then be the responsibility of the Medi-Cal managed care health plan in accordance with Section 14094.13 and a written transition plan prepared by the designated county agency and the Medi-Cal managed care health plan. The director shall provide an implementation date for the transition and identify how the state shall continue to fulfill the requirements set forth in Sections 123855, 123925, and 123960. CCS program eligibility determination shall remain the responsibility of the designated county agency in accordance with the provisions of this article.

(2) The case management, care coordination, provider referral, and service authorization functions of the CCS program shall remain the responsibility of the county for CCS beneficiaries exempt from mandatory enrollment in the Medi-Cal managed care plan.

(c) The CCS Medical Therapy program shall remain responsible for the provision of medically necessary occupational and physical therapy services prescribed by the CCS Medical Therapy Unit

Conference Team Physician or the CCS-paneled physician who is providing the medical direction for occupational and physical therapy services.

(d) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this article, Article 2.97 (commencing with Section 14093) and Article 2.985 (commencing with Section 14094.4) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, and any applicable federal waivers and state plan amendments by means of all-county letters, plan letters, CCS numbered letters, plan or provider bulletins, or similar instructions, without taking regulatory action in order to implement the Whole Child Model established pursuant to Article 2.985 (commencing with Section 14094.4). By July 1, 2020, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Commencing January 1, 2018, the department shall provide a status report to the Legislature on a semiannual basis, in compliance with Section 9795 of the Government Code, until regulations have been adopted.

SEC. 4. Section 14093.06 of the Welfare and Institutions Code is amended to read:

14093.06. (a) When a managed care contractor that is authorized to provide California Children's Services (CCS) covered services pursuant to subdivision (a) of Section 14094.3 or Article 2.985 (commencing with Section 14094.4) expands a managed care plan's CCS coverage area to other counties, the contractor shall comply with CCS program standards including, but not limited to, referral of newborns to the appropriate neonatal intensive care level, referral of children requiring pediatric intensive care to CCS-approved pediatric intensive care units, and referral of children with CCS eligible conditions to CCS-approved inpatient facilities and special care centers in accordance with subdivision (c) of Section 14093.05.

(b) The managed care contractor shall comply with CCS program medical eligibility regulations. Questions regarding interpretation of state CCS medical eligibility regulations, or disagreements between the county CCS program and the managed care contractor regarding interpretation of those regulations, shall



be resolved by the local CCS program, in consultation with the state CCS program. The resolution determined by the CCS program shall be communicated in writing to the managed care contractor.

(c) In following the treatment plan developed in accordance with CCS program requirements, the managed care contractor shall ensure the timely referral of children with special health care needs to CCS-paneled providers who are board-certified in both pediatrics and in the appropriate pediatric subspecialty.

(d) The managed care contractor shall report expenditures and savings separately for CCS covered services and CCS eligible children, in accordance with paragraph (1) of subdivision (d) of Section 14093.05.

(e) All children who are enrolled with a managed care contractor who are seeking CCS program benefits shall retain all rights to CCS program appeals and fair hearings of denials of medical eligibility or of service authorizations. Information regarding the number, nature, and disposition of appeals and fair hearings shall be part of an annual report to the Legislature on managed care contractor compliance with CCS standards, regulations, and procedures. This report shall be made available to the public.

(f) The department, in consultation with stakeholder groups, shall develop unique pediatric plan performance standards and measurements, including, but not limited to, the health outcomes of children with special health care needs.

SEC. 5. Section 14094.2 of the Welfare and Institutions Code is amended to read:

14094.2. (a) This article is not intended, and shall not be interpreted, to permit any reduction in benefits or eligibility levels under the CCS program. Any medically necessary service not available under the managed care contracts authorized under this article shall remain the responsibility of the state and county.

(b) (1) In Whole Child Model counties authorized pursuant to Article 2.985 (commencing with Section 14094.4), in order to ensure that CCS benefits are provided to enrollees with a CCS-eligible condition according to CCS program standards, there shall be oversight by the department for both services covered and not covered by the managed care contract.

(2) In counties not listed in Section 14094.5, in order to ensure that CCS benefits are provided to enrollees with a CCS-eligible condition according to CCS program standards, there shall be

oversight by the department and local CCS program agencies for both services covered and not covered by the managed care contract.

SEC. 6. Section 14094.3 of the Welfare and Institutions Code is amended to read:

14094.3. (a) Notwithstanding this article or Section 14093.05 or 14094.1, CCS covered services shall not be incorporated into any Medi-Cal managed care contract entered into after August 1, 1994, pursuant to Article 2.7 (commencing with Section 14087.3), Article 2.8 (commencing with Section 14087.5), Article 2.9 (commencing with Section 14088), Article 2.91 (commencing with Section 14089), Article 2.95 (commencing with Section 14092); or either Article 1 (commencing with Section 14200), or Article 7 (commencing with Section 14490) of Chapter 8, until January 1, 2022, and until the evaluation required pursuant to Section 14094.18 has been completed, except for contracts entered into pursuant to the Whole Child Model program, as described in Article 2.985 (commencing with Section 14094.4), or for county organized health systems or Regional Health Authority in the Counties of San Mateo, Santa Barbara, Solano, Yolo, Marin, and Napa.

(b) Notwithstanding any other provision of this chapter, providers serving children under the CCS program who are enrolled with a Medi-Cal managed care contractor but who are not enrolled in a pilot project pursuant to subdivision (c) shall continue to submit billing for CCS covered services on a fee-for-service basis until CCS covered services are incorporated into the Medi-Cal managed care contracts described in subdivision (a).

(c) (1) The department may authorize a pilot project in Solano County in which reimbursement for conditions eligible under the CCS program may be reimbursed on a capitated basis pursuant to Section 14093.05, and provided all CCS program's guidelines, standards, and regulations are adhered to, and the CCS program's case management is utilized.

(2) During the time period described in subdivision (a), the department may approve, implement, and evaluate limited pilot projects under the CCS program to test alternative managed care models tailored to the special health care needs of children under the CCS program. The pilot projects may include, but need not be limited to, coverage of different geographic areas, focusing on

certain subpopulations, and the employment of different payment and incentive models. Pilot project proposals from CCS program-approved providers shall be given preference. All pilot projects shall utilize CCS program-approved standards and providers pursuant to Section 14094.1.

(d) For purposes of this section, CCS covered services include all program benefits administered by the program specified in Section 123840 of the Health and Safety Code regardless of the funding source.

(e) This section shall not be construed to exclude or restrict CCS-eligible children from enrollment with a managed care contractor, or from receiving from the managed care contractor with which they are enrolled primary and other health care unrelated to the treatment of the CCS-eligible condition.

SEC. 7. Article 2.985 (commencing with Section 14094.4) is added to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

#### Article 2.985. Whole Child Model Program

14094.4. For the purposes of this article, the following definitions shall apply:

(a) “CCS provider” means any of the following:

(1) A medical provider that is paneled by the CCS program to treat a CCS-eligible condition pursuant to Article 5 (commencing with Section 123800) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code.

(2) A licensed acute care hospital approved by the CCS program to treat a CCS-eligible condition.

(3) A special care center approved by the CCS program to treat a CCS-eligible condition.

(b) “County organized health system” or “COHS” means:

(1) A county organized health system contracting with the department to provide Medi-Cal services to beneficiaries pursuant to Article 2.8 (commencing with Section 14087.5).

(2) A regional health authority.

(c) “Medi-Cal managed care plan” means a COHS.

14094.5. No sooner than July 1, 2017, the department may establish a Whole Child Model program for Medi-Cal eligible CCS children and youth enrolled in a managed care plan served

by a county organized health system or Regional Health Authority in the following counties: Del Norte, Humboldt, Lake, Lassen, Marin, Mendocino, Merced, Modoc, Monterey, Napa, Orange, San Luis Obispo, San Mateo, Santa Barbara, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Trinity, and Yolo.

14094.6. The goals for the Whole Child Model program for children and youth under 21 years of age who meet the eligibility requirements of Section 123805 of the Health and Safety Code and are enrolled in a managed care plan under a county organized health system or Regional Health Authority shall include all of the following:

(a) Improving the coordination of primary and preventive services with specialty care services, medical therapy units, Early and Periodic Screening, Diagnosis, and Treatment (EPSDT), long-term services and supports (LTSS), regional center services, and home- and community-based services using a child and youth and family-centered approach.

(b) Maintaining or exceeding CCS program standards and specialty care access, including access to appropriate subspecialties.

(c) Providing for the continuity of child and youth access to expert, CCS dedicated case management and care coordination, provider referrals, and service authorizations.

(d) Improving the transition of youth from CCS to adult Medi-Cal managed systems of care through better coordination of medical and nonmedical services and supports and improved access to appropriate adult providers for youth who age out of CCS.

(e) Identifying, tracking, and evaluating the transition of children and youth from CCS to the Whole Child Model program to inform future CCS program improvements.

14094.65. This article shall not be construed to exclude or restrict the specialty of neonatology from reimbursement under the California Children's Services (CCS) program, subject to the program's existing or applicable prior authorization requirements or utilization review. Neonatology shall be included in the CCS program.

14094.7. (a) No sooner than July 1, 2017, the department may implement the Whole Child Model program established under this section, pursuant to the criteria described in this article. The director shall provide notice to the Legislature, the federal Centers for Medicare and Medicaid Services, counties, CCS providers,

and CCS families when each managed care plan, including a transition plan with the county CCS program, has been reviewed and certified as ready to enroll children based on the criteria described in this article.

(b) Prior to the implementation of the Whole Child Model, the department shall do all of the following:

(1) Develop specific CCS program monitoring and oversight standards for managed care plans that are subject to this article, including access monitoring, quality measures, and ongoing public data reporting.

(2) Establish a stakeholder process pursuant to Section 14094.17.

(3) Consult with the statewide stakeholder advisory group established pursuant to Section 14094.17 to develop and implement robust monitoring processes to ensure that managed care plans are in compliance with all of the provisions of this section. The department shall monitor managed care plan compliance with the provisions of this section on at least an annual basis and post CCS-specific monitoring dashboards on its Internet Web site on at least an annual basis.

(c) (1) In order to aid the transition of CCS services into Medi-Cal managed care plans participating in the Whole Child Model program, commencing January 1, 2017, and continuing through the completion of the transition of CCS enrollees into the Whole Child Model program, the department shall begin requesting and collecting from Medi-Cal managed care plans information about each health plan's provider network, including, but not limited to, the contracting primary care, specialty care providers, and hospital facilities contracting with the Medi-Cal managed care plan.

(2) The department shall analyze the existing Medi-Cal managed care delivery system network and the CCS fee-for-service provider networks to determine the overlap of the provider networks in each county and shall furnish this information to the Medi-Cal managed care plan.

(d) A managed care plan shall not be approved to participate in the Whole Child Model program unless all of the following conditions have been satisfied:

(1) The managed care plan has obtained written approval from the director.

(2) The department has obtained any necessary federal approvals.

(3) The Medi-Cal managed care plan has established a local stakeholder process with the meaningful engagement of a diverse group of families that represent a range of conditions, disabilities, and demographics, and local providers, including, but not limited to, the parent centers, such as family resource centers, family empowerment centers, and parent training and information centers, that support families in the affected county.

(4) The director has verified the readiness of the managed care plan to address the unique needs of CCS-eligible beneficiaries, including, but not limited to, the requirements set forth in subdivision (b) of Section 14087.48, subdivisions (b) to (f), inclusive, of Section 14093.05, and all of the following:

(A) That the managed care contractor has demonstrated the availability of an appropriate provider network to serve the needs of children and youth with CCS conditions, including primary care physicians, pediatric specialists and subspecialists, professional, allied, and medical supportive personnel, licensed acute care hospitals, and special care centers.

(B) That the Medi-Cal managed care plan has established and maintains an updated and accessible listing of providers and their specialties and subspecialties and makes it available to CCS-eligible children and youth and their parents or guardians, at a minimum by phone, written material, and Internet Web site.

(C) That the Medi-Cal managed care plan has entered into an agreement with the county CCS program or the state, or both, for the transition of CCS care coordination and service authorization and how the plan will work with the CCS program to ensure continuity and consistency of CCS program expertise for that role, in accordance with this section.

(e) A Medi-Cal managed care plan, prior to implementation of the Whole Child Model program, shall review historical CCS fee-for-service utilization data for CCS-eligible children and youth upon transition of CCS services to managed care plans so that the managed care plans are better able to assist CCS-eligible children and youth and prioritize assessment and care planning.

14094.9. (a) The department shall develop a memorandum of understanding template, which shall be utilized by participating counties and health plans, and which shall include, but not be

limited to, the standards relating to the local administration of, and minimum services to be provided by, counties and Medi-Cal managed care plans in the administration of the Whole Child Model program. The department shall consult with counties and Medi-Cal managed care plans in the development of the Whole Child Model program memorandum of understanding template.

(b) The department shall provide written notice to the county agency, as designated in Section 123850 of the Health and Safety Code, of the calculation for determining the administrative allocation to the county CCS program by means of county information notice. The department shall consult with the Whole Child Model program counties in determining the calculation for determining the administrative allocation.

14094.10. (a) Each Medi-Cal managed care plan participating in the Whole Child Model program shall establish an assessment process that, at a minimum, does all of the following:

(1) Assesses each CCS child's or youth's risk level and needs by performing a risk assessment process using means such as telephonic or in-person communication, review of utilization and claims processing data, or by other means as determined by the department.

(2) Assesses, in accordance with the transition agreement with the county CCS program, the health care needs of CCS-eligible children and youth and coordinates their CCS specialty services, Medi-Cal primary care services and mild to moderate mental health services, specialty mental health as appropriate through the county specialty mental health plan, and Drug Medi-Cal services as appropriate through county substance use disorder program, and regional center services across all settings, including coordination of necessary services within and, when necessary, outside of the managed care plan's provider network.

(3) Follows timeframes for reassessment of risk and, if necessary, circumstances or conditions that require redetermination of risk level, which shall be set by the department.

(b) The risk assessment process shall be performed in accordance with all applicable federal and state laws.

14094.11. A Medi-Cal managed care plan participating in the Whole Child Model program shall meet all of the following requirements:

(a) Ensure that each CCS-eligible child or youth receives case management, care coordination, provider referral, and service authorization services from an employee or contractor of the plan who has knowledge of, and receives adequate training on, the CCS program, and who has clinical experience with the CCS population, or clinical experience with pediatric patients with complex medical conditions.

(b) Work with the state or county CCS program, as appropriate, to ensure that, at a minimum, and in addition to other statutory and contractual requirements, care coordination and care management activities do all of the following:

(1) Reflect a CCS child or youth family-centered, outcome-based approach to care planning.

(2) Ensure families have access to ongoing information, education, and support so that they understand the care plan for their child or youth and their role in the individual care process, the benefits of mental health services, what self-determination means, and what services might be available.

(3) Adhere to the CCS child's or youth's or the CCS child's or youth's family's determination about the appropriate involvement of his or her medical providers and caregivers, according to the federal Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191).

(4) Include individual care plans for CCS-eligible children and youth based on the results of the risk assessment process with a particular focus on CCS specialty care.

(5) Consider behavioral health needs of CCS-eligible children and youth and coordinate those services as part of the CCS child's or youth's individual care plan, when appropriate, and facilitate a CCS child's or youth's ability to access appropriate community resources and other agencies, including referrals, as necessary and appropriate, for behavioral services, such as specialty mental health services and substance use disorder services.

(6) Ensure that children and youth and their families have appropriate access to transportation and other support services necessary to receive treatment.

(c) Incorporate all of the following into the CCS child's or youth's plan of care:

(1) Access for families so that families know where to go for ongoing information, education, and support in order that they



understand the goals, treatment plan, and course of care for their child or youth and their role in the process, what it means to have primary or specialty care for their child or youth, when it is time to call a specialist, primary, urgent care, or emergency room, what an interdisciplinary team is, and what the community resources are.

(2) A primary or specialty care physician who is the primary clinician for the CCS-eligible child or youth and who provides core clinical management functions.

(3) Care management and care coordination for the CCS-eligible child or youth across the health care system, including transitions among levels of care and interdisciplinary care teams.

(4) Provision of information about qualified professionals, community resources, or other agencies for services or items outside the scope of responsibility of the managed care plan.

(d) Use clinical data to identify CCS-eligible children or youth at the care site with chronic illness or other significant health issues.

(e) Arrange for timely preventive, acute, and chronic illness treatment of CCS-eligible children or youth in the appropriate setting.

14094.12. A Medi-Cal managed care plan serving children and youth with CCS-eligible conditions under the CCS program shall do all of the following:

(a) Coordinate with each regional center operating within the plan's service area to assist CCS-eligible children and youth with developmental disabilities and their families in understanding and accessing services and act as a central point of contact for questions related to health care access and care concerns, and problem resolution.

(b) Coordinate with the local CCS Medical Therapy Unit (MTU) to ensure appropriate access to MTU services. The Medi-Cal managed care plan shall enter into a memorandum of understanding or similar agreement with the county regarding coordination of MTU services and other non-MTU services provided by the plan.

(c) Ensure that families have access to ongoing information, education, and support so they understand the care plan, course of treatment, and expected outcomes for their child or youth, the assessment process, what it means, their role in the process, and what services their child or youth may be eligible for.

(d) Facilitate communication among a CCS child's or youth's health care and personal care providers, including in-home supportive services and behavioral health providers, when appropriate, with the CCS-eligible child or youth, parent, or guardian.

(e) Facilitate timely access to primary care, specialty care, pharmacy, and other health services provided by CCS providers and facilities with clinical expertise in treating the enrollee's specific CCS condition that are needed by the CCS child or youth, including referrals to address any physical or cognitive disabilities.

(f) Provide information for families about managed care processes and how to navigate a health plan, including their rights to appeal any service denials, and how to request continuity of care for pharmacy, specialized durable medical equipment, and health care providers pursuant to Section 14094.13.

(g) Establish a mechanism to provide information on how to access local family resource centers or family empowerment centers.

(h) Provide that communication to, and services for, the CCS-eligible children or youth and their families are available in alternative formats that are culturally, linguistically, and physically appropriate through means, including, but not limited to, assistive listening systems, sign language interpreters, captioning, written communication, plain language, and written translations in the applicable Medi-Cal threshold languages.

(i) Provide that materials are available and provided to inform CCS children and youth and their families of procedures for obtaining CCS specialty services and Medi-Cal primary care and mental health benefits, including grievance and appeals procedures that are offered by the managed care plan or are available through the Medi-Cal program.

(j) Identify and track children and youth with CCS-eligible conditions for the duration of the child's or youth's participation in the Whole Child Model program and for children and youth who age into adult Medi-Cal systems and who continue to be enrolled in the same Medi-Cal managed care plan for at least three years into adulthood, to the extent feasible.

(k) (1) Comply with Medi-Cal due process requirements and provide timely processes for accepting and acting upon complaints and grievances, including procedures for appealing decisions

regarding coverage or benefits. The grievance process shall comply with Section 14450 of this code, and Sections 1368 and 1368.01 of the Health and Safety Code and applicable federal law and regulations.

(2) Upon denial, denial of reauthorization, or termination of services, a notice of action shall be sent to the CCS-eligible child or youth, or person legally authorized to act on behalf of the child or youth. The notice of action shall include information about the option to file a Medi-Cal appeal and Medi-Cal due process rights.

(l) Comply with Section 1383.15 of the Health and Safety Code by allowing a child or youth or the parent or guardian of a child or youth to receive a second opinion from an appropriately qualified health care professional.

14094.13. (a) Each Medi-Cal managed care plan shall establish and maintain a process by which a CCS-eligible child or youth may maintain access to CCS providers that the child or youth has an existing relationship with for treatment of the child's or youth's CCS condition for up to 12 months, under the following conditions:

(1) The CCS-eligible child or youth has seen the out-of-network CCS provider for a nonemergency visit at least once during the 12 months immediately preceding the date the Medi-Cal managed care plan assumed responsibility for the child's or youth's CCS care under the Whole Child Model program.

(2) The CCS provider accepts the health plan's rate for the service offered or the applicable Medi-Cal or CCS fee-for-service rate, whichever is higher, unless the CCS provider enters into an agreement on an alternative payment methodology mutually agreed to by the CCS provider and the Medi-Cal managed care plan.

(3) The managed care plan confirms that the provider meets applicable CCS standards and has no disqualifying quality of care issues.

(4) The CCS provider provides treatment information to the Medi-Cal managed care plan, to the extent authorized by the state and federal patient privacy provisions.

(b) Each Medi-Cal managed care plan shall establish and maintain a process by which a CCS-eligible child or youth may maintain access to specialized or customized durable medical equipment providers for up to 12 months under the conditions in paragraph (2):

(1) For the purposes of this subdivision, “specialized or customized durable medical equipment” means durable medical equipment that meets all of the following criteria:

(A) Is uniquely constructed from raw materials or substantially modified from the base material solely for the full-time use of the specific beneficiary according to a physician’s description and orders.

(B) Is made to order or adapted to meet the specific needs of the beneficiary.

(C) Is uniquely constructed, adapted, or modified to permanently preclude the use of the equipment by another individual, and is so different from another item used for the same purpose that the two items cannot be grouped together for pricing purposes.

(2) (A) The CCS-eligible child or youth has an ongoing relationship with a durable medical equipment provider who has previously provided specialized or customized equipment, such as power wheelchairs, repairs, and replacement parts; prosthetic limbs; customized orthotic devices; and individualized assistive technology. This does not include generally available or noncustomized durable medical equipment.

(B) The durable medical equipment provider shall accept the health plan’s rate for the service offered or the applicable Medi-Cal or CCS fee-for-service rate, whichever is higher, unless the durable medical equipment provider enters into an agreement on an alternative payment methodology mutually agreed upon by the durable medical equipment provider and the Medi-Cal managed care plan.

(C) The durable medical equipment provider provides information to the Medi-Cal managed care plan as requested by the plan, to the extent authorized by state and federal patient privacy provisions.

(3) The department may extend the continuity of care duration period described in this subdivision for specialized or customized durable medical equipment that is under warranty as specified by the department.

(c) A managed care plan, at its discretion, may extend the continuity of care period beyond the length of time specified in subdivisions (a) and (b).

(d) (1) Each Medi-Cal managed care plan participating in the Whole Child Model program shall comply with continuity of care

requirements in Section 1373.96 of the Health and Safety Code and Section 14185 of this code.

(2) Each Medi-Cal managed care plan shall permit a CCS-eligible child or youth transitioned into the Whole Child Model program to continue use of any currently prescribed prescription drug that is part of a prescribed therapy for the enrollee's CCS-eligible condition or conditions immediately prior to the date of enrollment, whether or not the prescription drug is covered by the plan, until the Medi-Cal managed care plan and the child's or youth's prescribing CCS provider has completed an assessment of the child or youth, created a treatment plan, and agrees with the Medi-Cal managed care plan that the particular prescription drug is no longer medically necessary, or the prescription drug is no longer prescribed by the enrollee's CCS provider.

(e) Each Medi-Cal managed care plan participating in the Whole Child Model program shall ensure that children and youth are provided expert case management, care coordination, service authorization, and provider referral services. Each plan shall meet this requirement by, at the request of the child, youth, or his or her parent or guardian, allowing the child or youth to continue to receive case management and care coordination from his or her public health nurse. This election shall be made within 90 days of the transition of CCS services into the Medi-Cal managed care plan. A plan shall meet this requirement by either or both of the following:

(1) By entering into a memorandum of understanding with the county for case management and care coordination services to the child.

(2) By entering into a memorandum of understanding with the county for case management, care coordination, provider referral, and service authorization to all or some Whole Child Model program participants.

(f) At least 60 days before the transition of CCS services to the Medi-Cal managed care plan, a written notice shall be provided to all CCS children and youth whose CCS care will become the responsibility of the plan explaining their right to continue receiving case management and care coordination services pursuant to subdivision (e), including a written explanation of the process

for that election. A reminder notification shall be sent 30 days prior to the start of the transition.

(g) In the event the county public health nurse leaves the CCS program or is no longer available to provide the services requested under this section, the Medi-Cal managed care plan shall transition the care coordination and case management of a child or youth to an employee or contractor of the plan who has received adequate training on the CCS program and who has clinical experience with the CCS population or pediatric patients with complex medical conditions.

(h) The department may waive the requirement of subdivision (e) if the Medi-Cal managed care plan demonstrates that it cannot meet the requirement because it would result in substantially increased program costs compared to the existing CCS program allocation as provided by the department through the annual Budget Act. The department shall confirm the information provided by the Medi-Cal managed care plan and meet with the county, affected labor organizations, and the plan in an attempt to reach a mutually agreeable contracting arrangement that fulfills the requirements of this section while also ensuring that the arrangement is not in excess of the current county program allocation.

(i) (1) A family or caregiver of a child or youth may appeal the continuity of care limitation in subdivision (a) to the director or his or her designee. When determining whether or not to grant the appeal, the director or his or her designee shall consider all of the following:

(A) Whether the noncontracting CCS provider has any relevant clinical experience or unique expertise that available contracting CCS providers do not have.

(B) If the noncontracting CCS provider is a special care center, whether or not any of the available contracting CCS providers is a special care center of the same type.

(C) The length of the ongoing relationship between the CCS provider and the child or youth.

(D) The proximity of the noncontracting CCS provider to the child's or youth's home as compared to the proximity of the contracting CCS provider being put forth by the plan.

(2) The opinion of the director or his or her designee shall be final and binding upon the plan.

(j) This section shall not preclude the right of the CCS child or youth to appeal or be eligible for a fair hearing regarding the extension of a continuity of care period.

(k) Each Medi-Cal managed care plan participating in the Whole Child Model program shall notify the CCS child or youth, in writing, 60 days prior to the end of his or her authorized continuity of care period. The notice shall explain the right to petition the plan for an extension of the continuity of care period, the criteria the plan will use to evaluate the petition, and the appeals process if the plan denies the petition.

14094.14. (a) Each Medi-Cal managed care plan participating in the Whole Child Model program shall provide a mechanism for a CCS-eligible child's and youth's parent or caregiver to request a specialist or clinic as a primary care provider.

(b) A CCS specialist or clinic may serve as a primary care provider if the specialist or clinic agrees to serve in a primary care provider role and is qualified to treat the required range of CCS-eligible conditions of the CCS child or youth.

14094.15. A Medi-Cal managed care plan shall meet all of the following requirements:

(a) Use all current and applicable CCS program guidelines, including CCS program regulations, CCS numbered letters, and CCS program information notices in developing criteria for use by the plan's chief medical officer or the equivalent and other care management staff.

(b) In cases in which applicable CCS clinical guidelines do not exist, use evidence-based guidelines or treatment protocols that are medically appropriate given the child's CCS-eligible condition.

(c) Utilize only CCS providers to treat CCS conditions in any circumstance in which the child's CCS-eligible condition requires treatment from the provider types in paragraph (1), (2), or (3) of subdivision (a) of Section 14094.4, except a plan may use an out-of-state provider if an in-state CCS provider does not possess the clinical expertise to appropriately treat the CCS condition of the child or youth.

(d) Utilize a provider dispute resolution process that meets the standards established under Section 1371.38 of the Health and Safety Code.

14094.16. (a) The department shall pay any managed care plan participating in the Whole Child Model program a separate,

actuarially sound rate specifically for CCS children and youth, to the extent that an actuarially sound rate can be developed for the managed care plan's CCS population. When contracting with managed care plans, the department may allow the use of risk corridors or other methods to appropriately mitigate a plan's risk for this population. If services are already established in the rate of a Medi-Cal managed care plan prior to January 1, 2016, the department shall not be required to create a separate rate for the Whole Child Model program.

(b) Medi-Cal managed care plans shall pay physician and surgeon provider services at rates that are equal to or exceed the applicable CCS fee-for-service rates, unless the physician and surgeon enters into an agreement on an alternative payment methodology mutually agreed to by the physician and surgeon and the Medi-Cal managed care plan

14094.17. (a) A Medi-Cal managed care plan participating in the Whole Child Model program shall create and maintain a clinical advisory committee composed of the managed care contractor's chief medical officer or the equivalent, the county CCS medical director, and at least four CCS-paneled providers to advise on clinical issues relating to CCS conditions, including treatment authorization guidelines, and serve as clinical advisers on other clinical issues relating to CCS conditions.

(b) (1) Each Medi-Cal managed care plan participating in the Whole Child Model program shall establish a family advisory group for CCS families.

(2) Family representatives who serve on this advisory group may receive a reasonable per diem payment to enable in-person participation in the advisory group. A plan may conduct family advisory group meetings by teleconference or through other similar electronic means to facilitate family participation in the advisory group.

(3) A representative of this local group shall be invited to serve on the department's statewide stakeholder advisory group established pursuant to subdivision (c).

(c) (1) The department shall establish a statewide Whole Child Model program stakeholder advisory group, or modify an existing Whole Child Model program stakeholder advisory group, comprised of representatives of CCS providers, county CCS program administrators, health plans, family resource centers,



regional centers, labor organizations, CCS case managers, CCS MTUs, and representatives from family advisory groups established pursuant to subdivision (b). Participation on the statewide stakeholder advisory group shall be voluntary, and members are not eligible for travel or other per diem payments.

(2) The department shall consult with the stakeholder advisory group on the implementation of the Whole Child Model program and shall consider the recommendations of the stakeholder advisory group in developing the monitoring processes and outcome measures by which the plans participating in the Whole Child Model program shall be monitored and evaluated.

(3) The statewide Whole Child Model program stakeholder advisory group established under this section shall terminate December 31, 2021.

14094.18. (a) (1) The department shall contract with an independent entity that has experience in performing robust program evaluations to conduct an evaluation to assess Medi-Cal managed care plan performance and the outcomes and the experience of CCS-eligible children and youth participating in the Whole Child Model program, including access to primary and specialty care, and youth transitions from Whole Child Model program to adult Medi-Cal coverage.

(2) The department shall provide a report on the results of this evaluation required pursuant to this section to the Legislature by no later than January 1, 2021. A report submitted to the Legislature pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(b) The evaluation required by this section, at a minimum, shall evaluate the performance of the plans participating in the Whole Child Model program as compared to the performance of the CCS program prior to the implementation of the Whole Child Model program in those same counties. The evaluation shall evaluate whether the inclusion of CCS services in a managed care delivery system improves access to care, quality of care, and the patient experience by analyzing all of the following, and when possible, disaggregating the results, based on the child's or youth's race, ethnicity, and primary language spoken at home:

(1) Access to specialty and primary care, and in particular, utilization of CCS-paneled providers.

(2) The type and location of CCS services and the extent to which CCS services are provided in-network compared to out of network.

(3) Utilization rates of inpatient admissions, outpatient services, durable medical equipment, behavioral health services, home health, pharmacy, and other ancillary services.

(4) Patient and family satisfaction.

(5) Appeals and grievances, including the number of petitions to the plan to extend the continuity of care period for durable medical equipment and CCS providers, the results of those appeals, whether any subsequent appeals were made to the department, and the results of those appeals to the department.

(6) Authorization of CCS-eligible services.

(7) Network and provider participation, including participation of pediatricians, pediatric specialists, and pediatric subspecialists, by specialty and subspecialty.

(8) The ability of a child or youth who ages out of CCS and remains in the same Medi-Cal managed care plan to retain his or her existing providers, to the extent possible or known.

(c) The evaluation required by this section shall also evaluate managed care plans participating in the Whole Child Model program as compared to the CCS program in counties where CCS services are not incorporated into managed care, and collect appropriate data to evaluate all of the following:

(1) The rate of new CCS enrollment in each county.

(2) The percentage of CCS-eligible children and youth with a diagnosis requiring a referral to a CCS special care center who have been seen by a CCS special care center.

(3) The percentage of CCS children and youth discharged from a hospital who had at least one followup contact or visit within 28 days after discharge.

(4) Appeals and grievances.

(d) The department shall consult with stakeholders, including, but not limited to, the Whole Child Model program stakeholder advisory group, regarding the scope and structure of the review.

14094.19. This article is not intended, and shall not be interpreted, to permit any reduction in benefits or eligibility levels under the CCS program.

14094.20. (a) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government

Code, the department, without taking regulatory action, shall implement, interpret, or make specific this article, Article 2.97 (commencing with Section 14093), Article 2.98 (commencing with Section 14094), and any applicable federal waivers and state plan amendments by means of all-county letters, plan letters, CCS numbered letters, plan or provider bulletins, or similar instructions until the time regulations are adopted. By July 1, 2020, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Commencing July 1, 2018, the department shall provide a status report to the Legislature on a semiannual basis, in compliance with Section 9795 of the Government Code, until regulations have been adopted.

(b) The director may enter into exclusive or nonexclusive contracts on a bid, nonbid, or negotiated basis and may amend existing managed care contracts to provide or arrange for services provided under this article. Contracts entered into or amended pursuant to this section shall be exempt from the provisions of Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code and Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, and shall be exempt from the review and approval of any division of the Department of General Services.

SEC. 8. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.









Approved \_\_\_\_\_, 2016

\_\_\_\_\_  
*Governor*